

**Attachment F**

**Historic Source and Use of Funds  
Pertaining to the Russian River Watershed and Watershed Projects  
Pursuant to Eleventh Amended Agreement**

**A. Funds Pertaining to Watershed Projects and Activities:**

**1. Russian River Projects Fund\***

Where Defined: Section 1.1(aa) of Eleventh Amended Agreement

Purposes for which fund moneys can be spent:

“To pay or partially pay for:

- (a) carrying out the Agency's Coyote Valley Dam Project and Warm Springs Dam Project **channel-stabilization** works obligations to the United States Government and the State of California under Agency Board of Directors Resolutions No. 6847 adopted May 24, 1955, No. 7798 adopted September 27, 1955, No. DR00793-1 adopted September 25, 1961 and Resolution No. DR68485 adopted December 23, 1980;
- (b) securing and defending appropriative **water rights** which are necessary for the realization of the full benefits of the Coyote Valley Dam and Warm Springs Dam Projects;
- (c) the Agency's share of the United States Government's **investment, operation and maintenance, and major replacement costs associated with the Coyote Valley Dam and Warm Springs Dam Projects**;
- (d) the acquisition of all or part of the Potter Valley Project or contributions made to the Project owner to insure the continued operation of all or part of the Project; and
- (e) **fishery mitigation and enhancement projects** undertaken by the Agency in the Russian River and Eel River and their tributaries.”

**2. O&M Fund (of the Water Transmission System)\***

Where Defined: Section 4.2 of Eleventh Amended Agreement

Purposes for which fund monies can be raised and spent for:

- (a) **operation and maintenance costs of the Transmission System** (Defined in Section (hh) as Agency's water production, storage, treatment and transmission facilities, including but not limited to the Santa Rosa, Petaluma, Sonoma and Forestville Aqueducts, the Russian River-Cotati Intertie, emergency wells, the Warm Springs Hydroelectric Project, future water production, storage, treatment and transmission facilities to be constructed pursuant to the Eleventh Amended Agreement, and a new

aqueduct to be constructed generally paralleling the portion of the Petaluma Aqueduct that extends from the Ely Pumping Plant to Kastania Reservoir.),

- (b) cost effective **water conservation measures** that will reduce water demands on the Transmission System that have been approved by the Water Advisory Committee
- (c) a **reasonable allowance for usual contingencies** and errors in estimation,
- (d) **accumulate and maintain a prudent reserve** in an amount determined from time to time by the Water Advisory Committee, and
- (e) **additional revenues** in amounts determined from time to time by the Water Advisory Committee to pay the capital costs of common facilities and storage facilities (these additional revenues are transferred to the Common Facilities Fund and Storage Fund).

**B. Agreement Charges Pertaining to Watershed Projects and Activities and Who Pays:**

**Charges paid by all contractors, including Other Agency Customers receiving Aqueduct water and MMWD:**

- 1. O&M Charge. All payments are deposited into O&M Fund.

**Charges Paid only by NMWD and MMWD\*\*:**

- 1. Russian River Conservation Charge (in lieu of Warm Springs/Russian River Projects Tax). All payments of this charge made by MMWD and NMWD are deposited into Russian River Project Fund.
- 2. Russian River Projects Charge (in lieu of (a) that portion of general fund tax revenues received by the Agency that the Agency transferred into the Russian River Projects Fund and (b) other general fund revenues transferred into the Russian River Projects Fund.). All payments of this charge made by MMWD and NMWD are deposited into Russian River Project Fund.

**Charges paid by Sonoma County taxpayers:**

- 1. Warm Springs Dam / Russian River Projects Tax. Tax receipts are deposited into the Russian River Projects Fund.
- 2. That portion of SCWA's share of 1% general County of Sonoma property tax that Agency deposits into the Russian River Projects Fund.

\* Note: Although other charges in the Eleventh Amended Agreement are collected and designed to fully pay the revenue bond charges as they become due, all agreement funds are pledged to pay these revenue bond charges as a first priority.

\*\* The in lieu taxes paid by NMWD and MMWD are essentially designed to match taxes (on a pro rata assessed valuation basis), paid by Sonoma County taxpayers who pay taxes on property located within the boundaries of the other Water Contractors.